Congress of the United States Washington, VC 20515

March 8, 2013

The Honorable Chuck Hagel Secretary of Defense 1000 Defense Pentagon Washington, DC 20301

Dear Mr. Secretary:

We write today regarding the United States Air Force's (USAF) Light Air Support (LAS) contract award to Embraer. This announcement is not only disappointing to workers in our state, but it raises significant concerns for the entire U.S. defense industrial base.

The Air Force's decision to select the Embraer over the Beechcraft aircraft has several implications. The Air Force rated Beechcraft's AT-6 as the lowest cost competitor. According to USAF documents, Beechcraft's bid was 30 percent lower than Embraer's. As the nation is facing immense financial hurdles, including a trillion-dollar cut to the Department of Defense over the next decade, it seems unwise to select a higher-priced supplier with a product of inferior quality. Furthermore, that supplier is based outside the United States.

Beechcraft's proposal included the preservation of 1,400 domestic jobs at 181 companies in 39 states. With our national unemployment rate at nearly 8 percent, it is imperative that programs funded by the taxpayer maintain a focus on increasing job growth and spending here at home. While the U.S. aviation manufacturing industry continues to recover, now is the time to invest in U.S. jobs and manufacturing and not abroad.

As we understand it, the Air Force's rejection of the Beechcraft bid was largely premised on whether the AT-6 could receive certification. This is an unreasonable concern given the history of its aircraft certification in both the civil and military spheres. Additionally, the accelerated timeline in this competition is due directly to the failures of the Air Force in the previous LAS procurement process, which caused nearly a year's delay.

Additionally, where the award provides an initial contract to deliver 20 airplanes to Afghanistan worth \$427.5 million under the Building Partnership Capacity Program (BPC), it also establishes a program of record for all 27 Allied Nations in the BPC. The BPC program's intention is to share U.S. capacities, expertise, maintenance, part supply, and so on with BPC allies. However, by awarding the LAS contract to a foreign-based entity, the Department has risked building true partnership capabilities.

The full consequences of this award to our national security, the American industrial base and workers, and the American taxpayer are staggering. In short, we request the Department

provide a thorough, compelling explanation for your decision to award the LAS contract to a higher, foreign bidder at a time when financial restraint, at the Department of Defense and across the federal government, is mandatory.

We look forward to hearing from you soon.

Sincerely,

Senator Jerry Moran

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